

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2083
Version: As introduced

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Authors: Davids

Subject: Income tax subtraction for student loan principal payments

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Allows an income tax subtraction for principal payments on student loans, limited to 200 percent of student loan interest payments allowed to be deducted at the federal and state level. This has the effect of limiting the proposed subtraction for student loan principal payments to the lesser of \$5,000 or the amount deducted in student loan interest payments, and also providing an income-based phaseout for married joint filers with modified adjusted gross income (MAGI) from \$130,000 to \$160,000, and for other filers with MAGI from \$65,000 to \$80,000. MAGI is adjusted gross income before the student loan interest deduction.

Effective date: tax year 2015